



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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February 7, 2000

Robert B. Thomas
Rancho Equipment Services
5626 North 3000 West
Delta, Utah 84624

Rex Harris
223 South White Sage Avenue
P.O. Box 513
Delta, Utah 84624

Re: Notification of File Closure, Rancho Equipment Services, Violet Red Beryl Project, S/001/011, and Rex Harris, Violet #5-8/Ruby #1-4, S/001/012, Beaver County, Utah

Dear Messrs. Thomas and Harris:

On January 27, 2000, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of reclamation surety for Gemstone Mining, Inc.'s Ruby Violet large mining project. Subsequently, on February 7, 2000, Gemstone Mining, Inc. was granted final approval of the large mining project.

This large mining operation encompassed three other sites: 1) Red Beryl Exploration project #E/001/097, already permitted by Gemstone Mining; Violet/Red Beryl small mining permit #S/001/011 originally permitted by Rancho Equipment; and Violet #5-8/Ruby #1-4 small mining permit #S/001/012 originally permitted by Rex Harris. By approving Gemstone's large mining operation, we are hereby releasing Rancho Equipment and Rex Harris from any further mining or reclamation obligations at their respective sites. The respective files will be closed and archived. The BLM concurred with this release by letter dated January 28, 2000 (copy attached).

You will no longer be responsible for any further mining or reclamation obligations associated with these sites. If you have any questions pertaining to this letter, please contact me or Tom Munson at (801) 538-5286 or 538-5321 respectively.

Sincerely,

D. Wayne Hedberg

Permit Supervisor

Minerals Regulatory Program

jb

cc: Ed Ginouves, BLM, Cedar City FO (UTU-68565 & UTU-68581)

Attachment: BLM 1/28/00 letter

thomas-harris-rel



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Cedar City Field Office
176 East DL Sargent Drive
Cedar City, Utah 84720

S/001/012

RECEIVED

JAN 31 2000

**DIVISION OF
OIL, GAS AND MINING**

In Reply Refer To:
UT-040
3809: UTU-68581

January 28, 2000

Ms. Joelle Burns
State of Utah, Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Dear Ms. Burns:

This letter is in regard to an outstanding surety provided to cover mining related activities on BLM-managed Federal lands at the Ruby Violet Project site, located within T. 29 S., R. 14 W., Secs. 29 & 30, Beaver County, Utah. The surety consists of \$37,500 "interim surety bond" in the form of a check drawn on the National Bank of Canada for the Red Beryl mine projects formerly operated by Rancho Equipment Services, S/001/011, and Rex Harris, S/001/012.

This office has determined that the above mentioned surety has been superseded by a surety recently provided by Gemstone Mining Inc. to cover large mining operations permit M/001/045, the Ruby Violet Mine. As any and all reclamation liabilities outstanding under the \$37,500 surety has been fully incorporated within the M/001/045 surety, this office recommends that the prior surety be closed out at your earliest convenience.

For your information, this office will be incorporating all outstanding and future disturbances related to the Gemstone Mining's Ruby Violet Mine within BLM case file UTU-72232. Former red beryl mine projects S/001/011, Rancho Equipment Services, and S/001/012, Rex Harris, which were covered in our case files, UTU-68565 and UTU-68581, respectively, will be closed out effective immediately.

If you have any questions feel free to call me at (435) 865-3040.

Sincerely,

Ed Ginouves
Mining Engineer

xc: Rex Harris, 183 N. 300 W., Delta, UT 84624